

**Introduced by Senator Cogdill**

February 1, 2010

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An act to amend Section 22100 of the Financial Code, relating to financial institutions.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 923, as introduced, Cogdill. Finance lenders.

The California Finance Lenders Law provides for the licensing and regulation of finance lenders and brokers and mortgage loan originators by the Department of Corporations. Existing law provides that a finance lender or broker is prohibited from employing a mortgage loan originator whose license or license endorsement has lapsed.

This bill would make a nonsubstantive change to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 22100 of the Financial Code is amended  
2     to read:  
3     22100. (a) No person shall engage in the business of a finance  
4     lender or broker without obtaining a license from the commissioner.  
5     (b) Every licensee engaging in the business of making or  
6     brokering residential mortgage loans shall require that every  
7     mortgage loan originator employed or compensated by that licensee  
8     obtains and maintains a mortgage loan originator license from the  
9     commissioner under this division or Division 20 (commencing  
10    with Section 50000), or has first obtained a license endorsement  
11    from the Commissioner of Real Estate pursuant to Article 2.1

1 (commencing with Section 10166.01) of Chapter 3 of Part 1 of  
2 Division 4 of the Business and Professions Code.

3 (c) A finance lender or broker ~~shall~~ *may* not employ a mortgage  
4 loan originator whose license or license endorsement has lapsed.

5 (d) A finance lender or broker may not make or broker a  
6 residential mortgage loan unless that loan is offered by, negotiated  
7 by, or applied for through a licensed mortgage loan originator.

8 (e) Every licensee engaged in the business of making or  
9 brokering residential mortgage loans and every mortgage loan  
10 originator licensed under this division shall register with and  
11 maintain a valid unique identifier issued by the Nationwide  
12 Mortgage Licensing System and Registry.